

TENNESSEE HOUSING DEVELOPMENT AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002
(Expressed in Thousands)

Cash flows from operating activities:	
Receipts from customers	\$ 293,741
Receipts from federal government	8,457
Other miscellaneous receipts	1,454
Acquisition of mortgage loans	(224,842)
Payments to service mortgages	(5,424)
Payments to suppliers	(3,429)
Payments to federal government	(3,941)
Payments to local government	(2,441)
Payments to employees	<u>(7,481)</u>
Net cash provided by operating activities	<u>56,094</u>
Cash flows from non-capital financing activities:	
Operating grants received	124,656
Negative cash balance implicitly financed	26
Proceeds from sale of bonds	209,580
Proceeds from issuance of notes	67,985
Operating grants paid	(138,431)
Call premium paid	(1,929)
Advance on bond sale	850
Cost of issuance paid	(1,939)
Principal payments	(326,260)
Interest paid	<u>(98,057)</u>
Net cash used by non-capital financing activities	<u>(163,519)</u>
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	472,674
Purchases of investments	(490,207)
Investment interest received	<u>31,647</u>
Net cash provided by investing activities	<u>14,114</u>
Net decrease in cash and cash equivalents	(93,311)
Cash and cash equivalents, July 1	<u>358,192</u>
Cash and cash equivalents, June 30	<u><u>\$ 264,881</u></u>

The Notes to the Financial Statements are an integral part of this statement.

TENNESSEE HOUSING DEVELOPMENT AGENCY
STATEMENT OF CASH FLOWS (cont.)
FOR THE YEAR ENDED JUNE 30, 2002
(Expressed in Thousands)

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ <u>41,191</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	830
Changes in assets and liabilities:	
(Increase) in accounts receivable	(3,472)
(Increase) in mortgage interest receivable	(299)
(Increase) in first mortgage loans receivable	(36,486)
Decrease in deferred charges	152
Decrease in other receivables	3
(Decrease) in accounts payable	(337)
Increase in accrued payroll	15
Increase in due to primary government	4
(Decrease) in deferred revenue	(137)
(Decrease) in arbitrage rebate liability	(2,652)
Investment income included as operating revenue	(45,131)
Interest expense included as operating expense	102,413
Total adjustments	<u>14,903</u>
Net cash provided by operating activities	\$ <u><u>56,094</u></u>
Noncash investing, capital, and financing activities:	
Accretion of deep discount bonds	\$ 4,111
Increase in fair value of investments	<u>22,653</u>
Total noncash investing, capital, and financing activities	\$ <u><u>26,764</u></u>

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